

EXHIBIT 2

1 UNITED STATES DISTRICT COURT
2 FOR THE OF MASSACHUSETTS
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5 INSITUFORM TECHNOLOGIES, INC.,)
6 Plaintiff,)
7 vs.)
8 AMERICAN HOME ASSURANCE COMPANY,)
9 Defendants.)
10

11 The resumed deposition of THOMAS
12 PORZIO, called for examination, taken before
13 ANNETTE M. MONTALVO, a Notary Public within and
14 for the Commonwealth of Massachusetts, and a
15 Registered Merit Reporter of said state, at 100
16 Summer Street, Boston, Massachusetts, on the 2nd
17 day of February, A.D. 2007, at 9:30 a.m.
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<p>Page 2</p> <p>1 PRESENT:</p> <p>2</p> <p>3 HOLLAND & KNIGHT,</p> <p>4 (131 South Dearborn Street, 30th Floor,</p> <p>5 Chicago, Illinois 60603,</p> <p>6 312-715-5834), by:</p> <p>7 MR. CHARLES L. PHILBRICK,</p> <p>8 appeared on behalf of the Plaintiff;</p> <p>9</p> <p>10 NIXON PEABODY LLP,</p> <p>11 (100 Summer Street,</p> <p>12 Boston, Massachusetts 02110,</p> <p>13 617-345-1000), by:</p> <p>14 MR. GREGORY P. DESCHENES,</p> <p>15 appeared on behalf of the Defendant.</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22 REPORTED BY: ANNETTE M. MONTALVO, CSR, RMR,</p> <p>23 RMR CERTIFICATE NO. 833506.</p> <p>24</p>	<p>Page 4</p> <p>1 THOMAS PORZIO,</p> <p>2 called as a witness herein, having been</p> <p>3 previously satisfactorily identified and duly</p> <p>4 sworn and having testified, was examined and</p> <p>5 testified further as follows:</p> <p>6 EXAMINATION (Resumed)</p> <p>7 BY MR. DESCHENES:</p> <p>8 Q. Good morning, Mr. Porzio. Good to see</p> <p>9 you again.</p> <p>10 A. Good morning.</p> <p>11 Q. You realize that you are still under</p> <p>12 oath?</p> <p>13 A. I do.</p> <p>14 Q. Are there -- strike that.</p> <p>15 It has been 10, 11 days since our last</p> <p>16 session. Are there any answers or clarifications</p> <p>17 that you would like to make to your previous</p> <p>18 answers in the last session?</p> <p>19 A. No.</p> <p>20 MR. PHILBRICK: Weren't we here last Friday?</p> <p>21 MR. DESCHENES: I think it was Tuesday, about</p> <p>22 ten days ago.</p> <p>23 MR. PHILBRICK: I'm sorry.</p> <p>24 (WHEREUPON, a certain document was</p>
<p>Page 3</p> <p>1 INDEX</p> <p>2 WITNESS EXAMINATION</p> <p>3 THOMAS PORZIO</p> <p>4 By Mr. Deschenes 4</p> <p>5 By Mr. Philbrick 100</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10 EXHIBITS</p> <p>11 NUMBER PAGE</p> <p>12 Porzio Exhibit</p> <p>13</p> <p>14 No. 23 5</p> <p>15 No. 24 50</p> <p>16 No. 25 57</p> <p>17 No. 26 64</p> <p>18 No. 27 70</p> <p>19 No. 28 75</p> <p>20 Nos. 29, 30, 31 78</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p>Page 5</p> <p>1 marked Porzio Deposition Exhibit</p> <p>2 No. 23, for identification, as of</p> <p>3 2/2/07.)</p> <p>4 BY MR. DESCHENES:</p> <p>5 Q. Mr. Porzio, the court reporter handed</p> <p>6 to you what's been marked as Porzio Exhibit 23.</p> <p>7 I just ask you to take a moment to review it, and</p> <p>8 then I will ask you a few questions about it.</p> <p>9 A. I have paged through it. Certainly</p> <p>10 haven't read it.</p> <p>11 Q. Okay. I guess my first question is</p> <p>12 what role, if any, did you play in assembling the</p> <p>13 repair costs for the MWRA claim?</p> <p>14 A. I submitted information in the way of</p> <p>15 invoices and that kind of thing from our local</p> <p>16 office from the project site.</p> <p>17 Q. And you understand what I mean by the</p> <p>18 MWRA claim, don't you, or would you like me to</p> <p>19 clarify that? It is a term that we have used in</p> <p>20 this case, it being the claim for which the</p> <p>21 plaintiff Insituform is seeking coverage against</p> <p>22 my client, American Home Assurance Company. You</p> <p>23 understand that?</p> <p>24 A. I do.</p>

2 (Pages 2 to 5)

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1 the host pipe; do you recall that?

2 A. Again, like I said before, I don't
3 recall specifically that aspect of it, but --

4 Q. And we looked at a document earlier
5 today about the three myths, the fact that CIPP
6 technology cannot be watertight, cannot be
7 smooth, and does not always fit tight to the host
8 pipe. Do you recall that in your memorandum and
9 the guidelines, the three myths?

10 MR. PHILBRICK: Objection to form. The
11 witness may answer if he can.

12 BY MR. DESCHENES:

13 Q. You described those as three myths, did
14 you not?

15 A. I said, for example, 100 percent
16 watertight.

17 Q. Understood.

18 A. It is all relative. There are degrees.

19 Q. But the specifications in the contract
20 require those things, did it not?

21 MR. PHILBRICK: I'm going to object to form.
22 It is argumentative. The witness may answer if
23 he can.

24 BY THE WITNESS:

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1 A. All I can say is the spec did make
2 reference to watertightness and smoothness of the
3 liner.

4 BY MR. DESCHENES:

5 Q. You testified about the bypass alone
6 during Phase 1 costs roughly \$10,000 per day; do
7 you recall that?

8 A. Yes.

9 Q. And you were of the opinion fairly
10 early on in early November that the pipe liner
11 should be removed and replaced; isn't that
12 correct?

13 A. At least portions of it, I recall that.

14 Q. And had Insituform done that at that
15 time it would have saved substantial time and
16 money; isn't that correct?

17 A. Yes.

18 Q. Okay. During that time period in
19 October, November and December of 2003, when
20 Insituform was exploring other repair methods, it
21 cost Insituform time and money, did it not?

22 A. Yes.

23 Q. And substantial time and money;
24 wouldn't you agree?

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1 A. Yes.

2 MR. DESCHENES: I think that's all I have.

3 MR. PHILBRICK: Okay.

4 EXAMINATION

5 BY MR. PHILBRICK:

6 Q. You were asked questions about whether
7 Insituform could have purchased pumps as opposed
8 to renting them in Phase 1; do you recall that?

9 A. Yes.

10 Q. Who would Insituform have purchased
11 pumps from?

12 A. Well, I --

13 Q. The question is who would Insituform
14 have purchased pumps from?

15 A. Well, in retrospect, I guess we could
16 have gone back to Godwin and said, even though
17 the contract line was through D'Allessandro down
18 to us, we could have asked them if we could buy
19 those pumps.

20 Q. Any basis for knowing whether Godwin
21 would be willing to sell their pumps?

22 MR. DESCHENES: Objection as to form.

23 MR. PHILBRICK: What's wrong with it?

24 MR. DESCHENES: No foundation.

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1 MR. PHILBRICK: Okay.

2 BY MR. PHILBRICK:

3 Q. Any basis for your understanding that
4 Godwin would even be willing to sell its pumps?

5 MR. DESCHENES: Objection. You can answer if
6 you understand the question. Just like -- same
7 rules apply.

8 BY THE WITNESS:

9 A. No, other than to say, you know, as you
10 look at a project from the outset, we're looking
11 at it in retrospect; however, you either rent
12 pumps or buy pumps. That's where I was coming
13 from.

14 BY MR. PHILBRICK:

15 Q. You were asked questions about what was
16 done to mitigate the cost of the repair and
17 replacement -- I mean, the removal and
18 replacements. Do you recall that?

19 A. Yes.

20 MR. DESCHENES: Objection.

21 BY MR. PHILBRICK:

22 Q. And you had specifically said that you
23 did -- you used the phrase, "we were trying to
24 save -- we were saving time." Do you recall

26 (Pages 98 to 101)